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Message Text

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12
ACTION EB-11

INFO OCT-01 AF-10 ADP-00 OEP-01 GSA-01 INT-08 COME-00

TRSE-00 OMB-01 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12 IO-12

AID-20 RSR-01 /132 W
---------- 063271
R 150716 Z MAY 73
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC 8859

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E. O. 11652: N/ A
TAGS: ECON, EIND, ESTC, ZA
SUBJ: DISPOSAL OF STRATEGIC STOCKPILE COPPER

REF: STATE 70360, 70367, 70359, 70364

1. EMBASSY IN RECEIPT OF MOFA NOTE SEEKING REASSURANCE ABOUT U. S. DISPOSAL OF STOCKPILED COPPER. CITING PRESS REPORTS TO EFFECT " LARGE QUANTITIES" COPPER TO BE RELEASED TO FREE MARKET, NOTE STATES COPPER PRICE BOUND TO FALL AS CONSEQUENCE. EXPRESSES CONFIDENCE U. S. AWARED CURRENT ZAMBIAN DIFFICULTIES DUE BORDER CLOSURE AND, PARTICULARLY IN LIGHT UNSC RESOLUTION OF SUPPORT FOR ZAMBIA IN THIS SITUATION, WILL REFRAIN FROM DISPOSAL OF COPPER ON FREE MARKET. REQUESTS ASSURANCES U. S. WILL NOT TAKE ANY ACTION WHICH WILL IMPAIR THE ECONOMIES OF ZAMBIA AND OTHER DEVELOPING COUNTRIES DEPENDENT ON COPPER EXPORTS.

2. IT OUR UNDERSTANDING NO RPT NO STOCKPILED COPPER WILL BE DISPOSED OF ON FREE MARKET AND INSTEAD WILL BE GRADUALLY TRANS- FERRED TO U. S. MINT OVER SEVERAL YEARS (AF/ E - BURKE/ NELSON LETTER NOVEMBER 13, 1972). WOULD APPRECIATE CONFIRMATION. CAN DEPARTMENT PROVIDE AS WELL ESTIMATED ANNUAL RATE OF COPPER TRANSFER TO MINT? WILL THIS TAKE MINT ENTIRELY OUT OF MARKET
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DURING DISPOSAL PERIOD?

3. SUBJECT FURTHER ADVICE FROM THE DEPARTMENT AND CLARIFICATION REQUESTED PARA 2 ABOVE, WOULD PROPOSE RESPOND TO GRZ NOTE ALONG FOLLOWING LINES: USG APPRECIATES GRZ CONCERN. COPPER DISPOSAL MAY NOT PROCEED PRIOR TO CONGRESSIONAL AUTHORIZATION. SUCH AUTHORIZATION REQUESTED IN PRESIDENTIAL MESSAGE TO CONGRESS APRIL 16 PROPOSING DISPOSAL SEVERAL COMMODITIES FROM STRATEGIC STOCKPILE, INCLUDING COPPER. THIS STEP TAKEN AFTER SEVERAL YEARS CAREFUL STUDY U. S. STRATEGIC MATERIAL REQUIREMENTS. IN THE CASE OF COPPER, DISPOSAL WILL NOT BE MADE ON THE FREE MARKET; IT WILL BE TRANSFERRED IN MODEST AMOUNTS TO THE U. S. MINT OVER A PERIOD OF SEVERAL YEARS. ASIDE FROM QUESTION OF STRATEGIC REQUIREMENTS, AMONG CONSIDERATIONS INVOLVED IS FACT THAT EXISTENCE OF STOCKPILE OF COPPER AND OTHER STRATEGIC MATERIALS HAS HAD DISTURBING EFFECT ON WORLD MARKET, PARTICULARLY SINCE IT LONG KNOWN QUANTITIES HELD WERE FAR IN EXCESS OF NEEDS. AS IN PAST, PROPOSED STOCKPILE DISPOSAL AUTHORIZATION WILL INCLUDE OBLIGATION ON PART USG TO GIVE DUE REGARD TO PROTECTION OF PRODUCERS' INTERESTS. WHEN CONGRESS HAS ACTED, USG WILL BE PREPARED TO CONSULT WITH GRZ AND OTHER COPPER PRODUCING NATIONS REGARDING EXECUTION OF DISPOSAL PROGRAM.
NELSON

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*** Current Handling Restrictions *** n/a
*** Current Classification *** LIMITED OFFICIAL USE

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Message Attributes

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Draft Date: 15 MAY 1973
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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Executive Order: n/a
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ISecure: 1
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Subject: DISPOSAL OF STRATEGIC STOCKPILE COPPER
TAGS: ECON, EIND, ESTC, ZA, ESTC
To: STATE
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